

Legislative Fiscal Bureau

Fiscal Note

Amendment H-8044 to HF 2229 - Strategic Investment Fund (LSB 5343 HV)
Analyst: Dwayne Ferguson (Phone: (515) 281-6561) (Dwayne.Ferguson@legis.state.ia.us)
Fiscal Note Version - Amendment Only

Description

Amendment H-8044 requires the Department of Economic Development (DED) to establish a junior entrepreneur training assistance program to assist private businesses and organizations to cooperate with a local school district to educate students about starting and operating a business. The Department may provide matching grants to the business or organization of one dollar for every two private matching dollars.

Assumptions

1. Funding for the DED grants will come from the Department's Strategic Investment Fund.
2. The DED will assign one staff person to develop and operate the program.
3. The local schools will utilize existing staff and resources to work with the business in developing the program.
4. The Department of Revenue and Finance considers funding from private businesses and organizations for this purpose to be charitable contributions under current law.

Fiscal Impact

Amendment H-8044 to House File 2229 will have no impact on the General Fund from implementing a junior entrepreneur training assistance program. The increase in funding for this program will be offset by a corresponding reduction in funding for other programs within the Strategic Investment Fund. The DED will experience an annual opportunity cost of approximately \$70,000 to reassign a current staff person to administer the program and provide program supplies. There is no tax implication since the businesses' matching funds can be deducted as charitable contributions under current law.

Sources

Department of Economic Development
Department of Revenue and Finance

/s/ Dennis C Prouty

February 13, 2002

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.
